


[Home](#)
[CEO Hotline](#)
[Viewpoint](#)
[Classified Ads](#)
[Archives](#)
[Metro.net \(web\)](#)

Resources

[Safety](#)
[Pressroom \(web\)](#)
[Ask the CEO](#)
[CEO Forum](#)
[Employee Recognition](#)
[Employee Activities](#)
[Metro Projects](#)
[Facts at a Glance \(web\)](#)
[Archives](#)
[Events Calendar](#)
[Research Center/Library](#)
[Metro Classifieds](#)
[Bazaar](#)

Metro Info

[30/10 Initiative](#)
[Policies](#)
[Training](#)
[Help Desk](#)
[Intranet Policy](#)

Need e-Help?

Call the Help Desk
at 2-4357

[Contact myMetro.net](#)

Changes in Thrift, Compensation Plans to Benefit Employees in 2007

(Dec. 22, 2006) Employees have an opportunity to gain increased tax relief in 2007, thanks to recent changes in the federal Economic growth and Tax Relief Reconciliation Act.

Metro's Accounting Department provides the following information and some reminders to keep employees up-to-date about the thrift and deferred compensation plans, as well as changes in Social Security taxes.

Increase in Annual Elective Deferral Limits:

Here is an opportunity for employees who are enrolled in Metro's 401(k) Thrift Plan and/or 457 Deferred Compensation Plan to sock away even more funds towards retirement.

401(k) Thrift Plan:

As of January 1, 2007, you will be allowed to defer up to \$15,500 annually from your salary. A special provision in the law allows an additional \$5,000 if you are a "Baby Boomer" (age 50 or greater by December 31, 2007).

457 Deferred Compensation Plan:

As of January 1, 2007, you will be allowed to defer up to \$15,500 annually from your salary. A special provision in the law also allows an additional \$5,000 if you are a "Baby Boomer."

If you are eligible for retirement within three years, you are eligible for the pre-retirement "catch-up" provision in the 457 Plan. Your total deferral may increase to \$31,000 effective January 1, 2007. "Catch-Up Provision" packets are available in the Pension and Benefits Office.

Both Plans:

You may contribute to both the 401(k) Thrift Plan and the 457 Deferred Compensation Plan for a total deferral of \$31,000. If you are age 50 or greater by December 31, 2007, you may defer up to a total of \$41,000 in both plans.

If you are in "catch-up" and less than 50 years of age, you may defer a total of \$46,500. That is \$31,000 to the 457 Deferred Compensation Plan plus \$15,500 to 401(k). If you are in "catch-up" and age 50 or older, you may defer a total of \$51,500. That is \$31,000 to 457 plus \$20,500 to 401(k).

Note: Contributions are deducted each pay period (26 per year).

Please contact the Pension and Benefits Office at Extension 2-7184 for enrollment and/or contribution changes forms. Investment information is

available from Erick Spencer at ICMA-RC (866) 339-8795, Orlando Delgado at ICMA-RC (866) 266-7312 or from ICMA-RC Investor Services (800) 669-7400.

Both the 2007 Payroll Calendar and Holiday Schedule are available on the Accounting and Human Resources Intranet sites.

Social Security and SDI Taxes:

As of January 1, 2007, the wage base for Social Security will increase from \$94,200 to \$97,500. This means that some employees will experience an increase in Social Security taxes even though the tax rate percentage will remain the same. At a tax rate of 6.2%, this is an increase of \$204.60 in the maximum amount of Social Security tax that can be withheld from an employee's paycheck. Deductions for Medicare remain unchanged.

The wage base for State Disability Insurance (SDI) will increase to \$83,389. However, the tax rate decreased from .08% to .06%. This results in a tax savings of \$135.01 from the maximum SDI withheld in 2007.

W-2s:

Metro is in the process of finalizing the Form W-2 Wage and Tax Statements. They will be mailed to employees' homes no later than January 31, 2007.

Please do not misplace your 2006 FORM W-2. If you need a replacement copy of your FORM W-2, you must complete a replacement form. You can obtain the form from Forms Online on the Metro Intranet or contact Payroll at (213) 922-6832 and a form will be sent to you. *Once the form has been received by Payroll, it may take up to a five working days to process.*

Metro will offer again this year a service (available January 31, 2007) for those employees who use or are interested in using TurboTax 2006 to prepare their Federal and state income tax returns. This means that you can download your W-2 information directly into TurboTax, and voilà - a good part of your tax filing is completed for you. The web site will be included on your 2006 Form W-2. Additional information can be obtained at www.probusiness.com/turbotax.

Reminders:

Address Change

Please verify your address and Social Security number shown on your pay stub. If you have a change in your mailing address, please notify your Department/Division Manager so that the change can be updated in the Human Resources system before noon December 26, 2006. If your Social Security number is not correct, please contact Gwen Keene in Human Resources immediately (213) 922-7148.

Also, please verify the name on your Social Security card against the name on your pay stub. The IRS may impose a \$50 penalty to the employee and employer for every W-2 if the employee's name does not match that shown on the Social Security card. If there is a difference, please contact Gwen Keene in Human Resources immediately.

Form W-4, Employee's Withholding Allowance

Now is the time to check your Federal and State tax withholding

allowances. Did you marry or divorce, gain or lose a dependent, or have major changes in your family income? If you answered “yes”, you may need to file a new 2007 Form W-4.

If you are currently claiming “exempt” from tax withholding, you must submit a new Form W-4 by February 15, 2007 if you wish to retain your exempt status. If a new form is not filed and submitted to the Human Resources Department, withholding for Federal and State taxes will automatically default to “Single” with zero (0) withholding allowances.